

Abstract

Purpose: The study sought to explore the effect of financial literacy on the competitive advantage of deposit-taking savings and credit co-operative societies in Kenya

Methodology: The study employed a descriptive cross-sectional research design, focusing on senior management staff from 176 DT-SACCOs, with 3856 individuals as the target population. The study stratified the population into top management, middle-level management, and low-level management, sampling 900 respondents using the Yamane formula. Data was collected through structured questionnaires and analyzed using SPSS v25.0, with the results presented in graphs, diagrams, and figures.

Results: The study reveals that financial literacy positively and significantly affects the competitive advantage of DT-SACCOs in Kenya. This underscores the importance of financial knowledge and expertise within these organizations. Staff and leaders who possess a deep understanding of financial principles can make informed decisions, manage resources effectively, and identify opportunities for growth, all of which contribute to competitive advantage. In conclusion, the analysis underscores the significance of financial literacy in enhancing the competitive advantage of DT-SACCOs in Kenya. These findings are valuable for guiding DT-SACCOs in their efforts to improve their competitive positioning in the dynamic financial services sector. Moreover, recognizing the influence of firm characteristics provides actionable insights for tailoring strategies to specific organizational contexts.

Unique contribution to theory, policy and practice: DT-SACCOs should implement financial education programs covering budgeting, saving, and investment options, along with personalized counseling, and collaborate with institutions to expand financial literacy initiatives.